

EM Site-Specific Advisory Board Chairs Meeting

Steve Trischman
Director, Office of Budget and Planning

May 2018

- **Budget Cycle**
- **FY 2018 Budget Omnibus**
- **FY 2019 Budget Request Status**
- **Environmental Liability**
- **Budget and Planning Integration**



Primary Phases of the Budget Process

➤ Formulation

- Executive Branch prepares the President's Budget
- OMB and the Federal agencies begin preparing the next budget almost as soon as the President has sent the last one to the Congress
- OMB officially starts the process by sending planning guidance to Executive Branch agencies in the spring
- The President completes this phase by sending the budget to the Congress on the first Monday in February

➤ Congressional

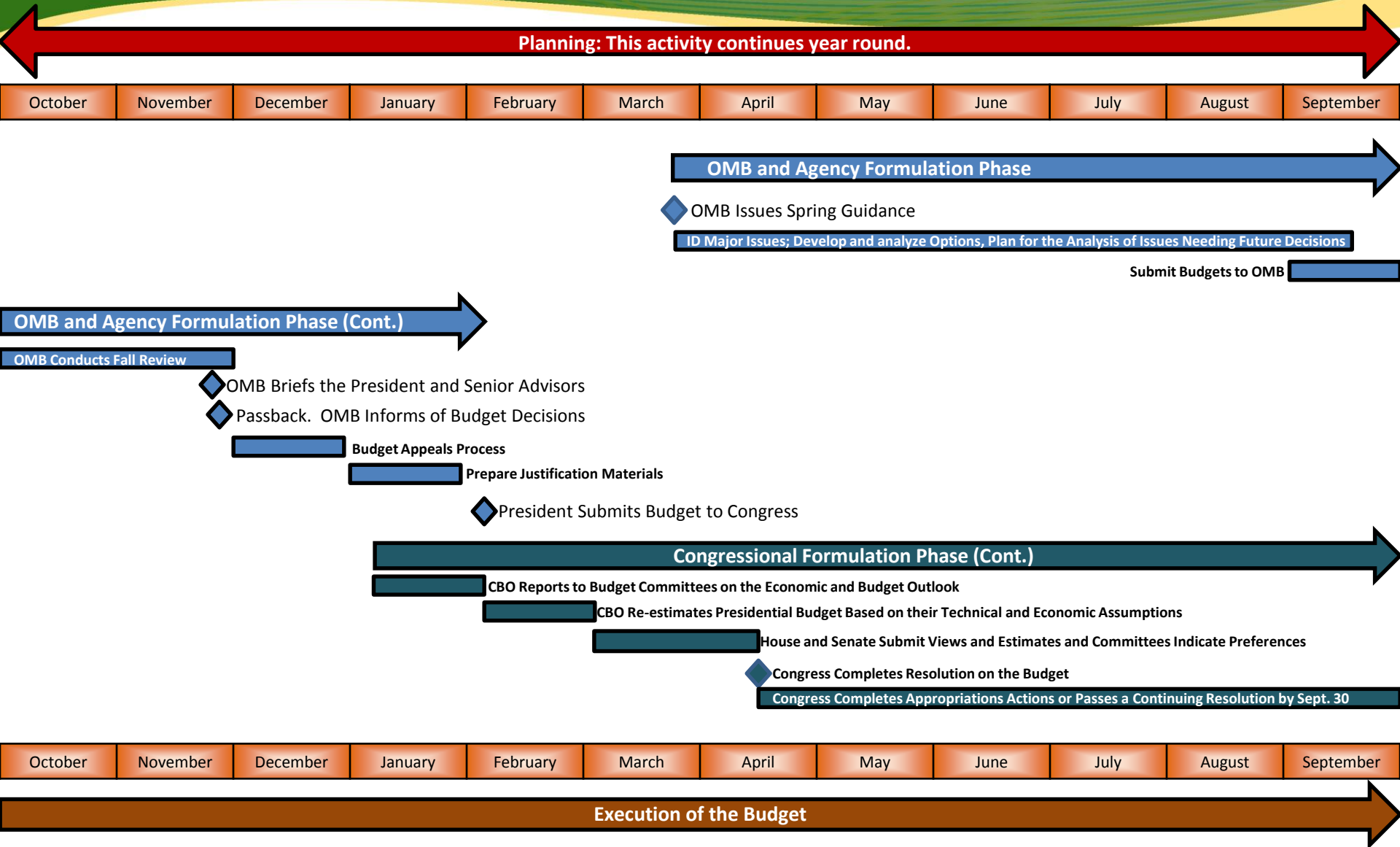
- Begins when the Congress receives the President's Budget
- The Congress does not vote on the President's Budget itself, and it does not enact a budget of its own
- It considers the President's Budget proposals, passes an overall revenue and spending plan called a "budget resolution," and enacts the regular appropriations acts and other laws that control spending and receipts

➤ Execution

- This phase lasts for at least five fiscal years and includes two parts:
 - Apportionment – OMB must provide an Apportionment schedule allocating funds to agencies for spending
 - Spending and Reporting



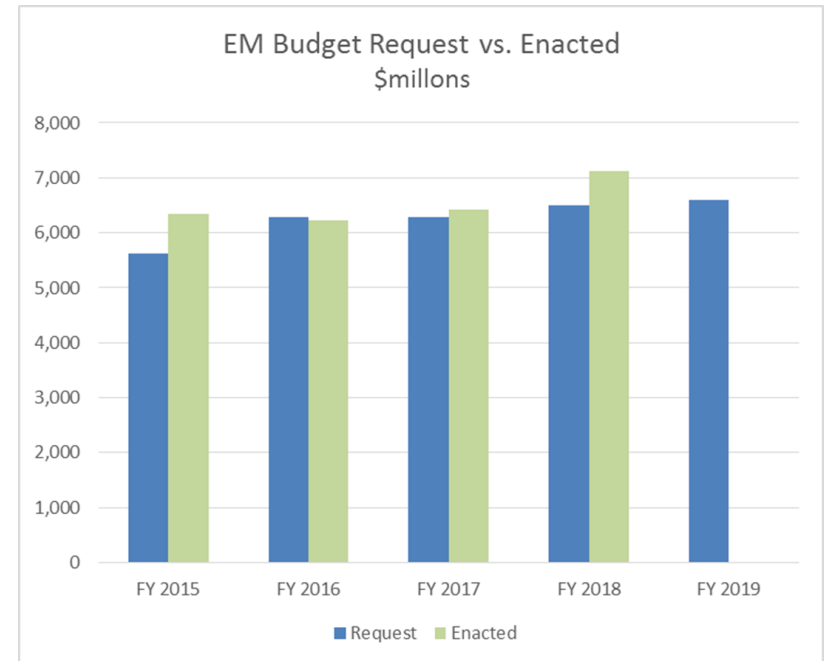
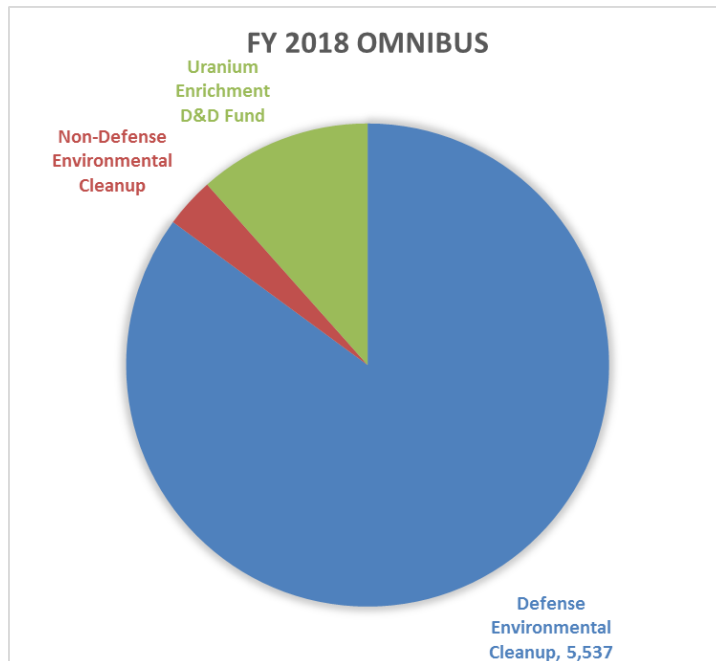
Budget and Planning Timeline



*During OMB's Agency Formulation Phase, Budget Allocations are Embargoed and **NOT** Releasable Outside of the Administration

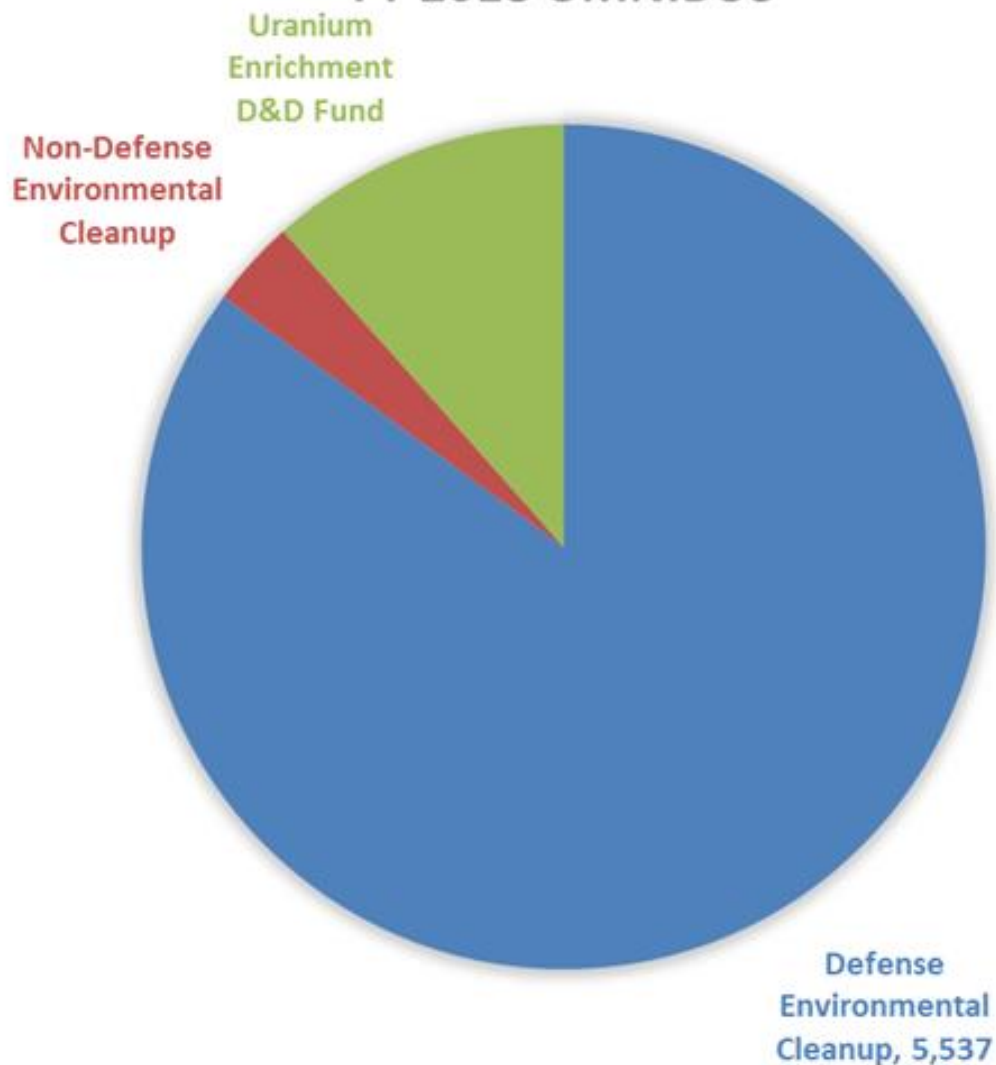
Budget Trends

Site	FY 2017 Enacted	FY 2018 Request	FY 2018 HEWD	FY 2018 SEWD	FY 2018 Enacted	FY 2019 Cong Req.
Appropriation Summary						
Defense Environmental Cleanup	5,405	5,537	5,405	5,580	5,988	5,630
Non-Defense Environmental Cleanup	247	218	222	266	298	218
Uranium Enrichment D&D Fund	768	753	768	788	840	753
Total, EM	6,420	6,508	6,395	6,634	7,126	6,601



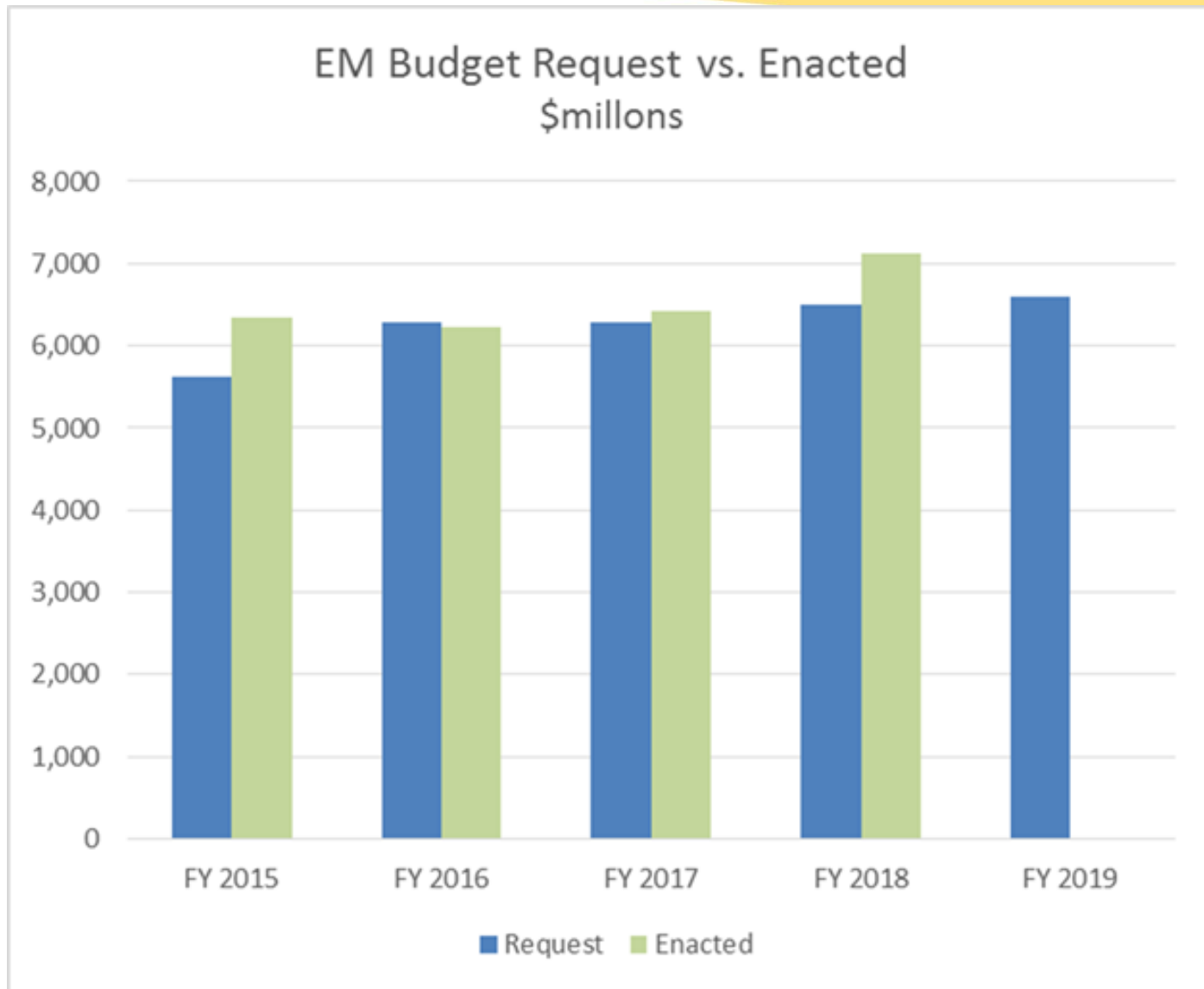
FY17-19 Budget Requests

FY 2018 OMNIBUS



Defense \$6.0B
Non-Defense \$0.3
UED&D \$0.8B

FY17-19 Budget Requests



FY17-19 Budget Requests

Site	FY 2017 Enacted	FY 2018 Request	FY 2018 HEWD	FY 2018 SEWD	FY 2018 Enacted	FY 2019 Cong Req.
Brookhaven	0	2	1	2	2	2
Carlsbad	325	323	323	307	383	403
ETEC	10	9	8	9	9	8
Idaho	390	359	394	359	446	359
Los Alamos	194	192	194	218	220	192
Lawrence Livermore	1	1	31	1	101	2
Lawrence Berkeley	9	0	0	21	41	0
Moab	38	35	34	38	38	35
Nevada	62	60	60	60	60	60
Oak Ridge	498	390	461	515	640	409
Richland	916	800	840	910	947	747
River Protection	1,500	1,504	1,518	1,590	1,560	1,439
Paducah	272	270	270	273	273	270
Portsmouth	382	418	418	418	448	415
Savannah River	1,369	1,448	1,398	1,426	1,471	1,656
SPRU	4	2	2	2	5	15
Sandia	4	3	3	3	3	3
West Valley	70	64	68	78	78	64
Defense Closure Site Activities	9	5	5	5	5	5
Non-Defense Closure Site Activities	6	0	0	0	10	0
Program Direction	290	300	300	290	300	300
Mission Support Activities	15	43	15	15	15	13
Technology Development	25	25	20	25	35	25
Excess Facilities	0	225	0	55	0	150
Uranium Thorium Reimbursements	30	30	33	14	36	30
Total, EM	6,420	6,508	6,395	6,634	7,126	6,601

Congressional Support for the EM Program

- Resources \$706M above our FY 2017 Enacted level will allow clean progress
 - +\$235M investment to address Excess Facilities at Oak Ridge, LLNL, and Idaho
 - +\$102M to support Savannah River's Nuclear Material and Liquid Waste Program
 - +\$60M to reduce the Departments reliance on Barter at Portsmouth
 - +\$60M to support ORPs WTP and Tank Waste program
 - +\$58M investment to support the completion of the Ventilation System at Carlsbad
 - +\$37M to continue completion efforts at LBNL and SEFOR
 - +\$31M to address PFP completion and address PUREX tunnels at Richland
 - +\$105M to support continued cleanup progress at ID (\$56M), LANL (\$26M), OR (\$16M) and WV (\$8M)
 - +\$20M investment in Technology Development needs
 - +\$10M for the Federal workforce

Environmental Management's Fiscal Year 2018 budget supports substantial progress:

- Maintains a safe and secure posture at all sites, while continuing with cleanup activities
- Continues waste emplacement at the Waste Isolation Pilot Plant
- Continues progress in protecting the Columbia River at Hanford
- Continues construction and commissioning activities for the Direct Feed Low Activity Waste approach to treat tank waste at Hanford
- Completes commissioning and startup of the Salt Waste Processing Facility at Savannah River
- Continues commissioning of the Integrated Waste Treatment Unit at Idaho
- Completes design and begins construction of the Mercury Treatment Facility at Oak Ridge
- Completes activities necessary to ready Building X-326 for demolition at Portsmouth

The mission of the Office of Environmental Management is to complete the safe cleanup of the environmental legacy brought about by five decades of nuclear weapons development and government-sponsored nuclear energy research



New Funding for Excess Facilities



Y-12 National Security Complex – Biology Complex Building



Lawrence Livermore National Laboratory – Livermore Pool Type Reactor Building 280



Y-12 National Security Complex – Critical Experiment Facility



Y-12 National Security Complex – Beta-4 Tool Storage Facility

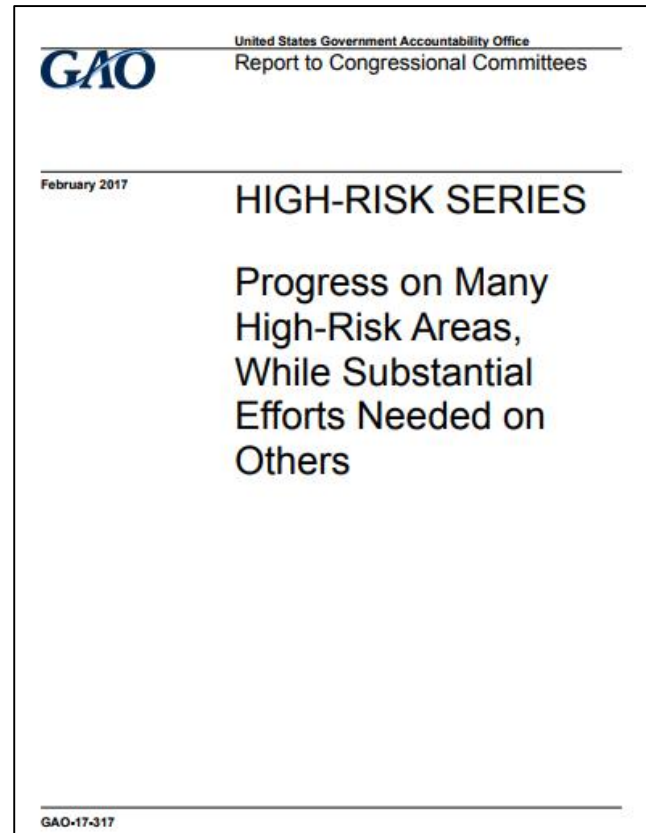


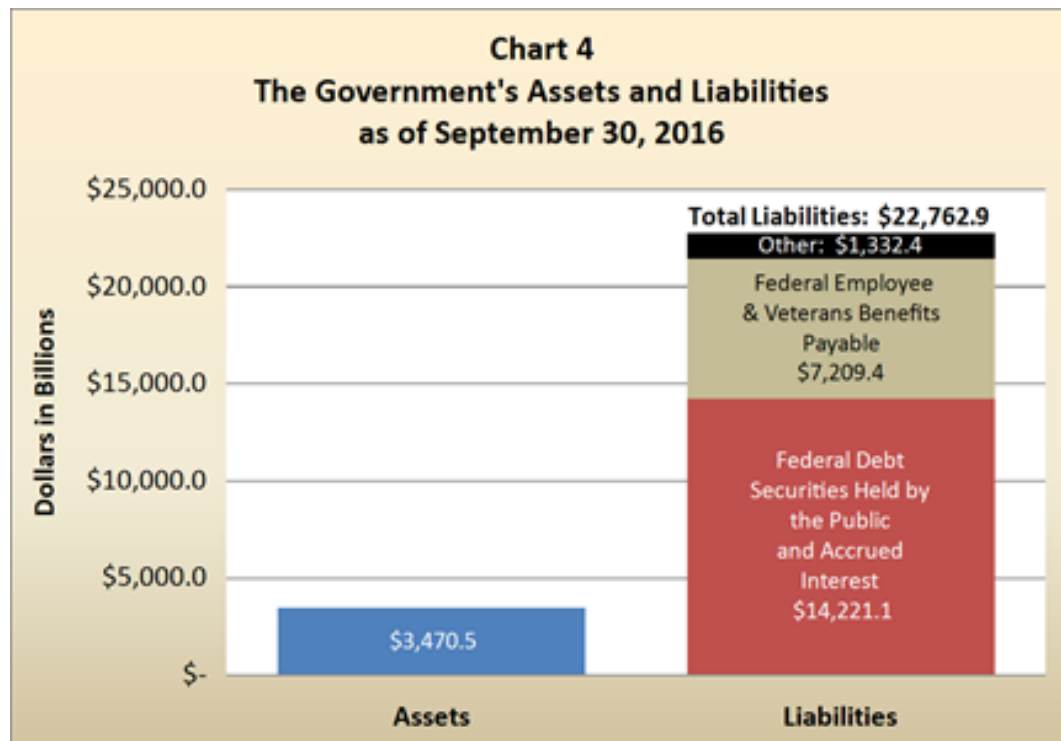
Lawrence Livermore National Laboratory – Heavy Elements Facility

- President's FY 2019 Budget was released on February 12, 2018
Detailed justification's released on March 20, 2018
- EM has briefed HEWD and SEWD on FY 2019 budget request
- EM is currently addressing follow-on questions as needed
- Anticipate initial Congressional Marks will be received in May/June timeframe
Will continue to work with Congressional staffers to address any additional needs as the process moves forward. Impacts briefings on Marks in late summer/early fall
- Anticipate FY 2019 will operate a portion of the year under a continuing resolution (CR)
Planning for a minimum of 3 month CR

- Spring formulation guidance from OMB to CFO to EM (pending)
- HQ/Field planning workshop (last month) provided the information for EM to begin formulation over the next few months
- Site Manager presentations to EM-1 this month
- Preparing EM recommendations to the Secretary in early June
- Department will submit its request to OMB in September
- Passback from OMB occurs in November
- The President's Budget goes to Congress in February 2019

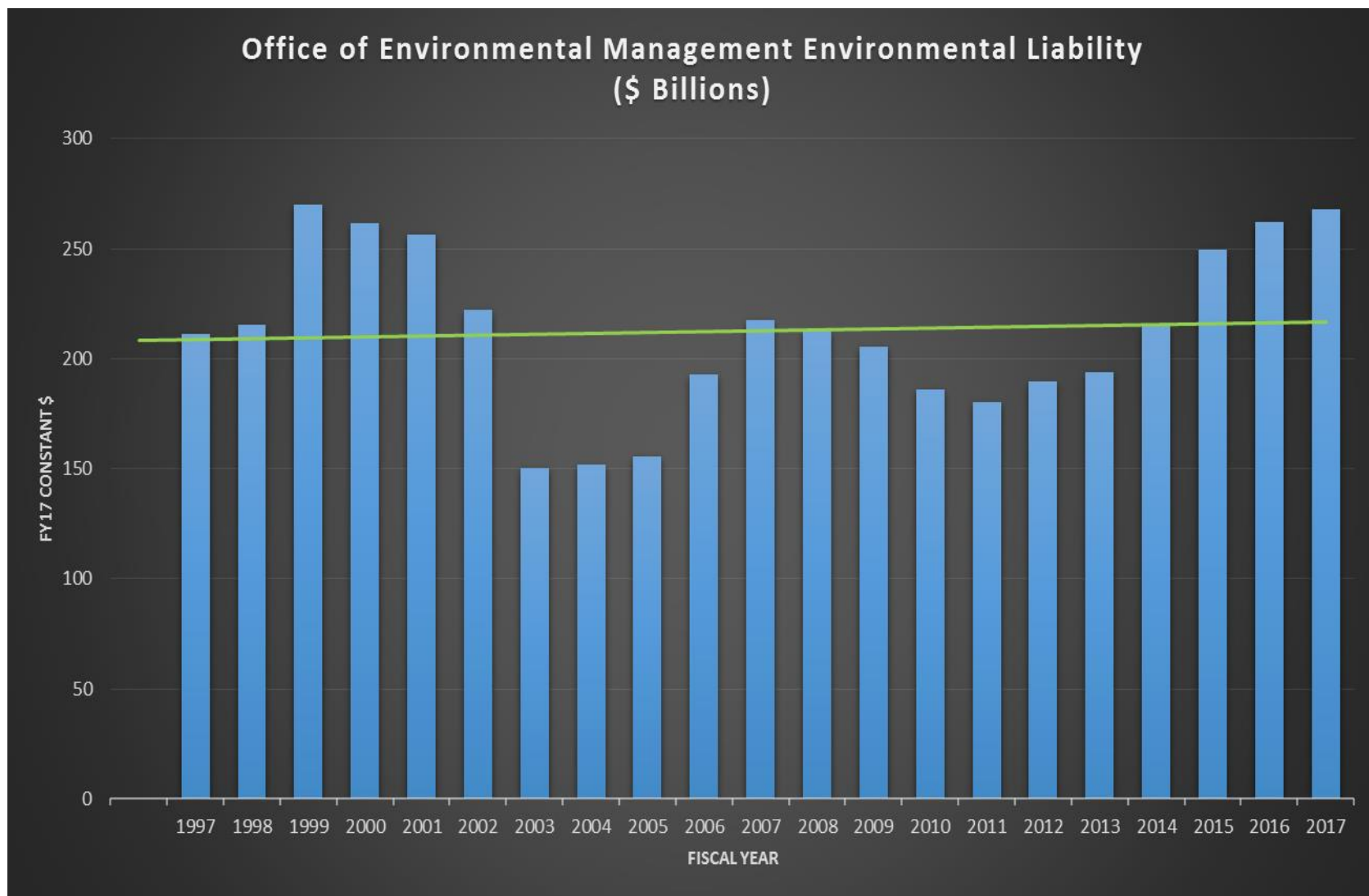
- GAO added a new high risk area in 2017: Environmental Liability
- The EM Environmental Liability is the estimated cost for DOE to meet its present environmental cleanup obligations, including all work required to complete cleanup of facilities; remediation of soil and groundwater; and management and disposition of wastes, spent nuclear fuel, and surplus nuclear materials managed by EM.
- EM annually updates its EL estimate prior to recording this amount in DOE's Consolidated Financial Statements.



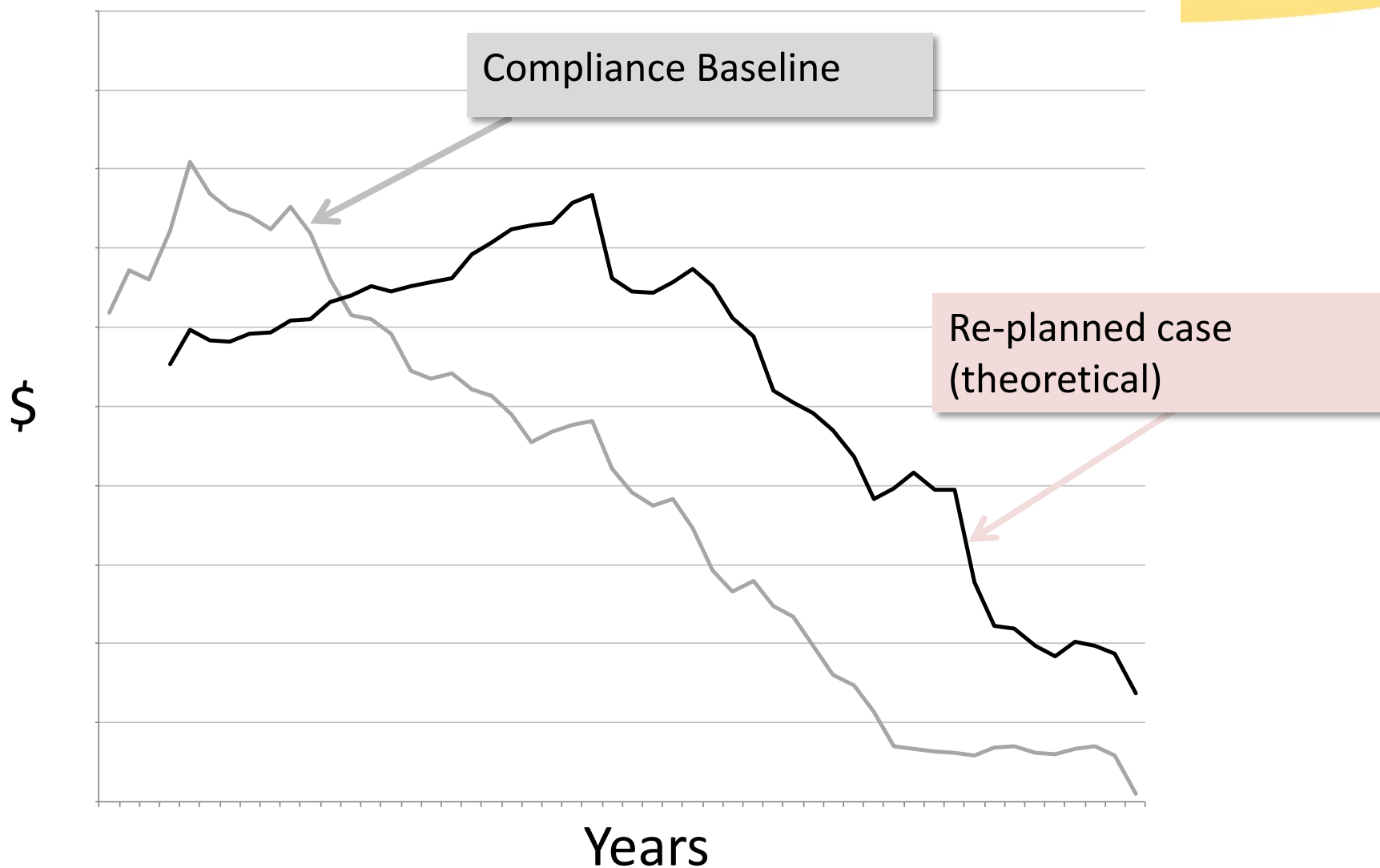


Assets³:					
Cash & Other Monetary Assets	\$	464.6	\$	305.1	\$ 159.5 52.3%
Loans Receivable, Net	\$	1,277.6	\$	1,216.0	\$ 61.6 5.1%
Inventories & Related Property, Net	\$	314.3	\$	320.6	\$ (6.3) (2.0%)
Property, Plant & Equipment, Net	\$	979.5	\$	925.3	\$ 54.2 5.9%
Other	\$	434.5	\$	494.2	\$ (59.7) (12.1%)
Total Assets	\$	3,470.5	\$	3,261.2	\$ 209.3 6.4%
Liabilities³ :					
Federal Debt Held by the Public & Accrued Interest	\$	(14,221.1)	\$	(13,172.5)	\$ 1,048.6 8.0%
Federal Employee & Veterans Benefits	\$	(7,209.4)	\$	(6,772.4)	\$ 437.0 6.5%
Other	\$	(1,332.4)	\$	(1,559.9)	\$ (227.5) (14.6%)
Total Liabilities	\$	(22,762.9)	\$	(21,504.8)	\$ 1,258.1 5.9%
Net Position (Assets minus Liabilities)	\$	(19,292.4)	\$	(18,243.6)	\$ 1,048.8 5.7%

United States Liabilities	2016	2015	Change	
		(Billions)		
Federal Debt and Accrued Interest	14,221	13,173	1,048	8%
Federal Employee & Veterans Benefits	7,209	6,772	437	6%
Other	1,332	1,560	(228)	-15%
Total	22,762	21,505	1,257	6%
Other				
Environmental and Disposal Liabilities				
DOE	372	340	32	9%
DOD	63	60	3	5%
Other Agencies	12	12	-	0%
	447	412	35	8%
DOE				
EM	257	240	17	7%
Active Facilities	37	31	6	19%
Other Legacy EM EL	78	69	9	13%
	372	340	32	9%
Percent of total liability	1.1%		0.08%	

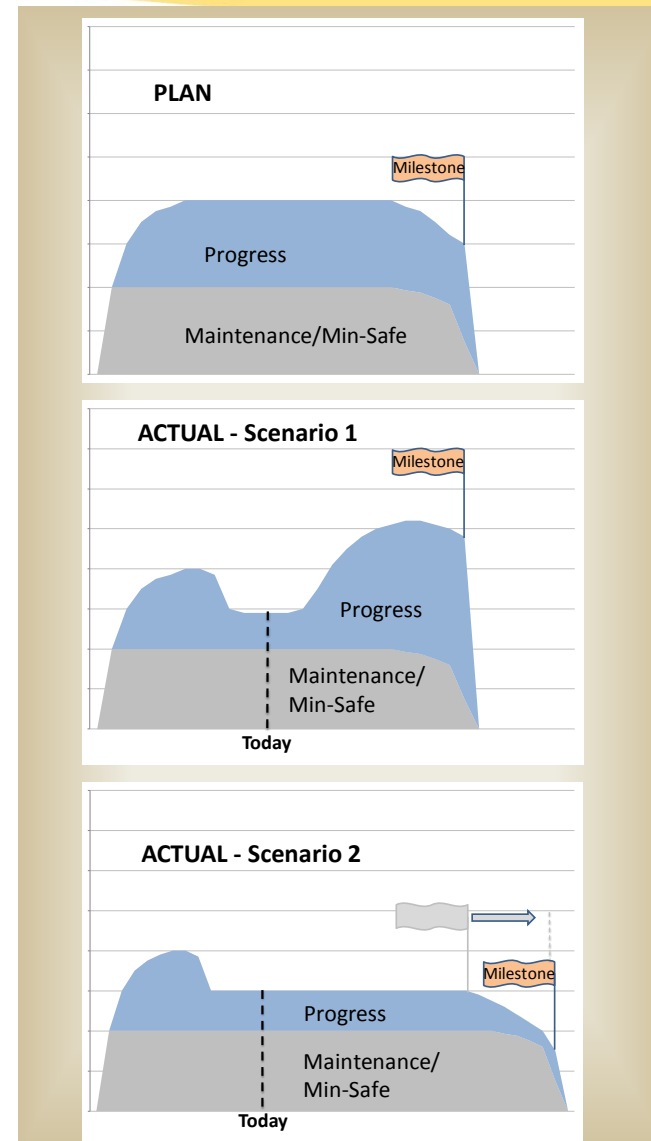


Site Cleanup Baselines Require Replanning to Accommodate Different Annual Funding, Scope Changes, Technical Issues



Accumulation of Technical Challenges and Funding Shortfalls Results in Unworkable Baseline

- **Baselines reflect compliance requirements**
- **Baselines are ambitious in an effort to make progress at all sites**
- **Constrained funding in a given year delays progress**
- **Technical issues can cause delay and increase cost**



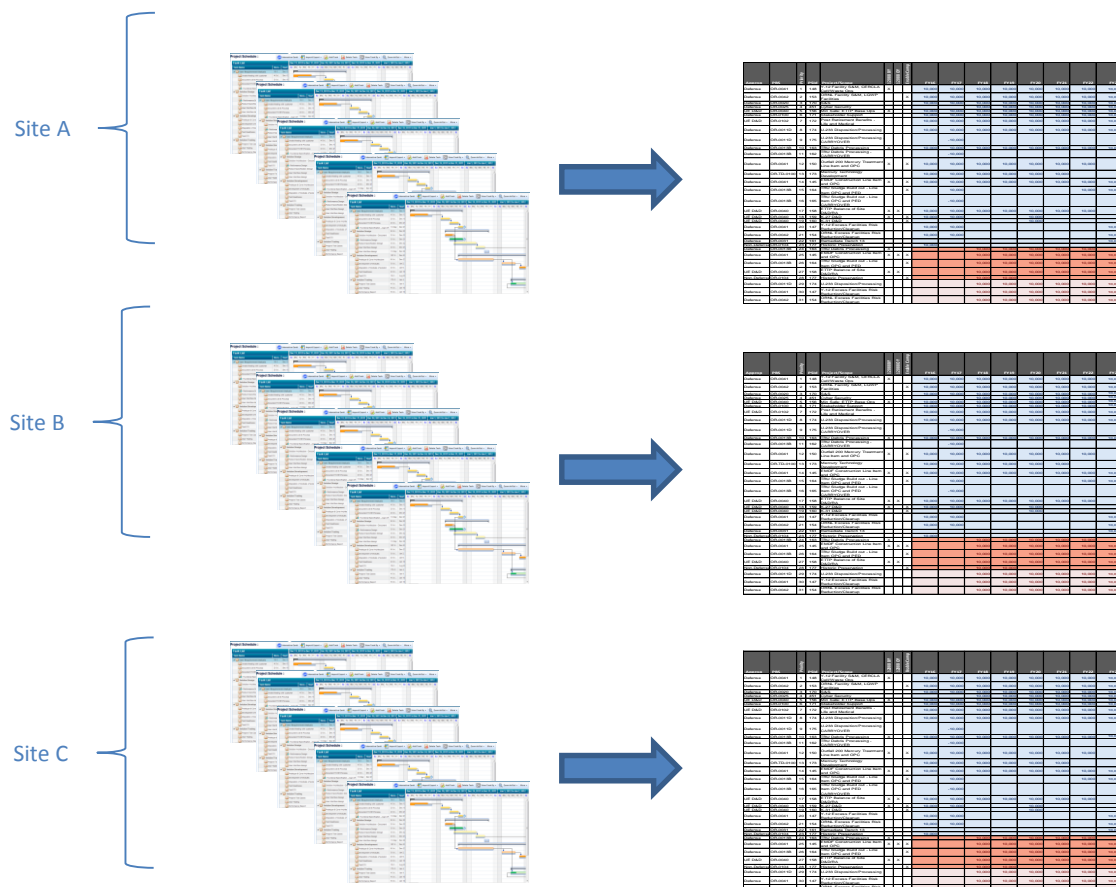
Near-Term Planning & Budget Activities

- Currently developing life-cycle planning profiles.
 - Establish realistic cost and schedule expectations for each site and document underlying assumptions/basis.
 - Provide improved basis for measuring progress and evaluating alternative cleanup approaches.
- Expand HQ-Field EM planning and budget alternatives analysis.
 - Continue planning and budget workshops
 - Update/life-cycle planning profiles
 - Provide essential input for update EM Program long-term strategy
 - Support Administration transition



Planning Informs the Budget Process

Site Prioritization



Program Prioritization

Department of Energy
FY 2018 Congressional
Budget Request



Environmental Management

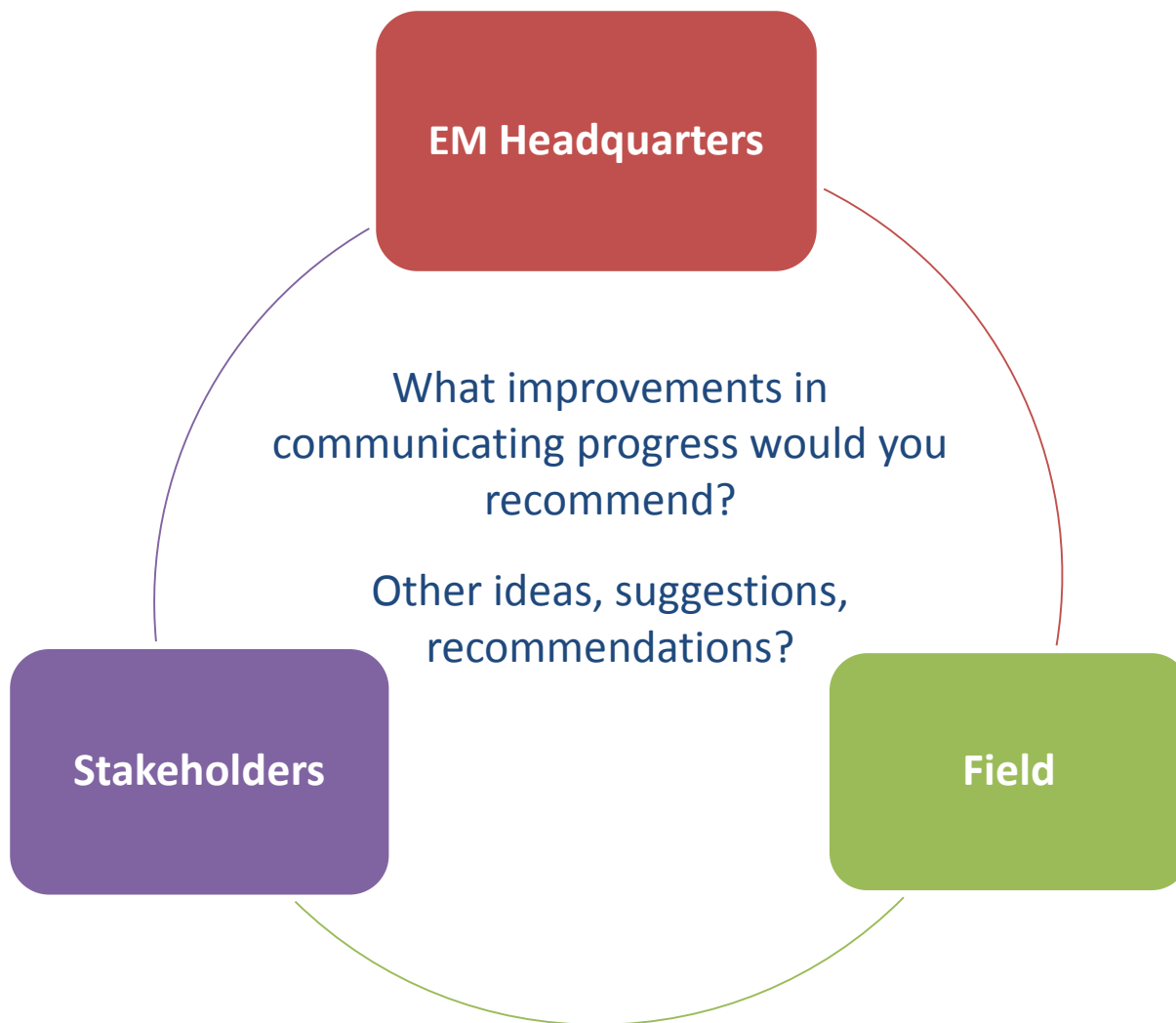
➤ **When can stakeholders engage and provide input**

- EM releases letter of engagement refresher to site offices
 - Letter outlines how/when site offices can engage with stakeholders for the upcoming fiscal year process
 - Letter is usually released prior to receiving guidance from OMB or the Department
 - Typically done in the February timeframe; however due to the delay in FY 2018 budget activities the FY 2019 letter was not released until late spring

➤ **How can stakeholders engage and provide input**

- Site offices enlist specific engagement for next budget cycle from stakeholders usually in the February/March timeframe
- Engagement is typically discussed in terms of priorities and overarching activities to be performed, not in terms of how much is needed for activities
- Engagement should continue to occur year-round, you are not limited to communicating your priorities just in the initial timeframe -- If things change, let us know

We Need Your Involvement



Background

➤ What drives the budget requirements?

- The Budget and Accounting Act requires the President to submit a budget
- Agencies have internal process that ultimately lead to the President formally transmitting budget proposals to Congress
- The Congress considers the recommendations and uses the information included in the budget as it drafts and passes laws that affect spending
- Neither branch of Government can unilaterally decide how budgets are distributed/executed, it is through the budget process the Government decides how much money to spend, what to spend it on, and how to raise the money it has decided to spend

➤ All Government agencies are required to follow the governing steps laid out in the Office of Management and Budget (OMB) Circular No. A-11 “Preparation, Submission, and Execution of the Budget”

- Provides an overview of the budget process
- Indicates what/when agencies can communicate externally

➤ **Defense Environmental Cleanup**

- Often referred to as 050 funds
- Funds legacy cleanup activities associated with Defense funded legacy waste
- Subject to Defense fund caps

➤ **Non-Defense Environmental Cleanup**

- Often referred to as non-050 funds
- Funds legacy cleanup activities associated with non-defense funded legacy waste
- Subject to non-defense fund caps

➤ **Uranium Enrichment Decontamination and Decommissioning (UE D&D)**

- Often referred to as non-050 funds
- Funds legacy cleanup activities under statutory requirements from the Energy Policy Act of 1992 for the sole purpose of uranium enrichment facility decontamination
- Subject to non-defense fund caps

FY 2017 Enacted Structure - \$6,418,908 net

(dollars in thousands)

\$5,405,000 Defense Environmental Cleanup (050)	\$563,000 Defense Uranium Enrichment D&D (050)	\$247,000 Non-Defense Environmental Cleanup (non-050)	\$768,324 Uranium Enrichment Decontamination and Decommissioning (UE D&D) (non-050)
<ul style="list-style-type: none"> 1.Closure Sites 2.Hanford Site: Central Plateau Remediation 3.Hanford Site: Richland Community and Regulatory Support 4.Hanford Site: River Corridor and Other Cleanup Operations 5.Hanford Site: 15-D-401 Containerized Sludge Removal Project 6.Idaho National Laboratory: Idaho Cleanup and Waste Disposition 7.Idaho National Laboratory: Idaho Community and Regulatory Support 8.NNSA Sites: Los Alamos 9.NNSA Sites: Lawrence Livermore National Laboratory 10.NNSA Sites: Nevada 11.NNSA Sites: Sandia National Laboratories 12.NNSA Sites: Separations Process Research Unit 13.Oak Ridge: OR Cleanup and Disposition 14.Oak Ridge: OR Nuclear Facility D&D 15.Oak Ridge: OR Reservation Community and Regulatory Support 16.Oak Ridge: OR Technology Development and Deployment 17.Oak Ridge: U233 Disposition Program 18.Oak Ridge: 14-D-403 Outfall 200 Mercury Treatment Facility 19. Oak Ridge: 17-D-401 Onsite Waste Disposal Facility 20.Office of River Protection: Tank Farm Activities 21.Office of River Protection: 15-D-409 Low Activity Waste Pretreatment System 22.Office of River Protection: 01-D-16A-D WTP Subprojects A-D 23.Office of River Protection: 01-D-16E Pretreatment Facility 24.Office of River Protection: WTP Commissioning 25.Program Direction 26.Program Support 27.Safeguards and Security 28.Savannah River Site: Savannah River Site Risk Management Operations 29.Savannah River Site: Radioactive Liquid Tank Waste Stabilization and Disposition 30.Savannah River Site: SR Community and Regulatory Support 31.Savannah River Site: 05-D-405 Salt Waste Processing Facility 32.Savannah River Site: 15-D-402 Saltstone Disposal Unit #6 33.Savannah River Site: 17-D-402 Saltstone Disposal Unit #7 34.Technology Development and Deployment 35.Waste Isolation Pilot Plant: Waste Isolation Pilot Plant 36.Waste Isolation Pilot Plant: 15-D-411 Safety Significant Confinement Ventilation System 37.Waste Isolation Pilot Plant: 15-D-412 Exhaust Shaft 38.CB-010 Economic Assistance to the State of NM 	<ul style="list-style-type: none"> 1.UEDD Fund Contribution 	<ul style="list-style-type: none"> 1.Fast Flux Test Reactor Facility 2.Gaseous Diffusion Plants 3.Small Sites 4.West Valley Demonstration Project 	<ul style="list-style-type: none"> 1.Oak Ridge 2.Paducah Nuclear Facility D&D 3.Portsmouth Nuclear Facility D&D 4.Portsmouth: 15-U-408 On-Site Waste Disposal Facility 5.Pension and Community and Regulatory Support 6.Title X Uranium/Thorium Reimbursement Program